

# **“Agricultural land rights in Albania and their impact on agriculture land market and investments”**

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## **Non-Technical Summary**

In early 1990s, a land redistribution reform was endorsed by the government in Albania and implemented in various forms by rural communities. This land reform resulted in small and fragmented farms, and generated property rights insecurity due to overlap of claims between pre-collectivization “old owners” and post-1990’ “new owners” and due to inefficient land institutional functioning. This paper analysis perceived land property (in) security, its causes and impact on land tenure. The theoretical background of this study consists in transaction costs approach to property rights theory and the empirical research is based on a structured survey. The land tenure insecurity is evident in Albania and its manifestation is weaker when ancestral rights are combined with legal rights. Possession of both informal and formal rights, accompanied with other farms physical related factors, positively affects agriculture land related investments. Land market is still fragile due to capital constraints, social factors, high transaction costs and also low credibility for the legal ownership. Based on the findings of the study, several land security enhancement measures may be provided contributing towards the finalization of the land registration for the “new owners” and compensation process for pre-collectivization “old owners”, as well as coordination of the various institutions both in central and local level, responsible for enforcing property rights and promoting transaction costs shrinking measures.